

Message Text

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INFO OCT-01 ISO-00 /012 R

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DRAFTED BY NEA/PAB:MHORNBLOW:DD
APPROVED BY NEA/PAB:JACOONTN
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S E C R E T STATE 138335

FOLLOWING REPEAT KABUL 4177 SENT ACTION SECSTATE INFO
ISLAMABAD, LONDON, MOSCOW, NEW DELHI, TEHRAN, PEKING,
CINCPAC AND CINCEUR MAY 22.

QUOTE: S E C R E T KABUL 4177

CINCPAC FOR POLAD

CINCEUR FOR POLAD

E.O. 11652: XGDS-1
TAGS: PINS, PGOV, AF
SUBJECT: THE CRYSTAL BALL AT KABUL REMAINS MURKY

1. SUMMARY: AFGHANISTAN HAS BEEN EXPERIENCING A
WHIRLWIND OF CHANGE SINCE THE KHALQ'S MARXIST-LENINIST
IDEALOGUE MIR AKBAR KHAIBAR WAS ASSASSINATED ON APRIL
17, ONE VERY LONG MONTH AGO. THIS BLOODY MURDER LED
DIRECTLY -- AND QUICKLY -- TO THE SO-CALLED "REVOLU-
TION OF SAUR 7" (APRIL 27) WHICH OVERTHREW THE OLD
ARISTOCRATIC ORDER THAT HAD RULED THIS COUNTRY FOR
CENTRUIES. THE DUST CREATED BY THIS VIOLENT EVENT
HAS NOT YET SETTLED. NEW PRONOUNCEMENTS AND
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DECREES ARE BEING ISSUED DAILY. ALTHOUGH THE NEW
REGIME OF THE DEMOCRATIC REPUBLIC OF AFGHANISTAN (DRA)
STILL INSISTS THAT IT IS NOT COMMUNIST, MANY OF ITS
PUBLIC STATEMENTS ARE REplete WITH PHRASEOLOGY COMMON
TO COMMUNIST COUNTRUS. WHILE THE SOVIET PRESENCE
AND INFLUENCE HERE IS UNDENIABLY GROWING, THE DRA STILL
PROFESSES TO BE ISLAMIC, NATIONALIST, AND NON-ALIGNED.
THE NEW REGIME ALSO CLAIMS TO BE PROGRESSIVE,
AND THIS IS REFLECTED BY ITS INITIATION OF A NUMBER
OF CORRECTIVE SOCIAL AND ECONOMIC MEASURES, SOME CLEARLY

DESIGNED TO ELICIT IMMEDIATE POPULAR SUPPORT (E.G., ELIMINATION OF BARRIERS TO HIGHER EDUCATION; MORE EQUITABLE DISTRIBUTION OF SUBSIDIZED GOVERNMENT FOOD RATIONS) AND SOME OTHER POLICIES (E.G., ATTENTION TO ETHNIC MINORITIES) WHICH ARE, IN OUR OPINION, ENLIGHTENED AND POTENTIALLY USEFUL.

2. THE DRA DISPLAYS DETERMINATION TO SPEED THE PROCESS OF MODERNIZATION. ILLITERACY IS TO BE REDUCED. EDUCATION AND HEALTH SERVICES ARE TO BE MADE MORE AVAILABLE. WOMEN ARE TO ENJOY MORE RIGHTS. STREETS ARE BEING REPAIRED AND SEVERAL PUBLIC AND PRIVATE BUILDING PROJECTS THAT HAD BEEN INCHING ALONG DURING THE DAOUD ERA ARE BEING SPEEDED TO COMPLETION. FOOD PRICES ON CERTAIN STAPLES HAVE DROPPED. VENAL AFGHAN OFFICIALS ARE BEING ARRESTED FOR ACCEPTING BRIBES FROM GOVERNMENT UNDERCOVER AGENTS, USING MARKED CURRENCY.

3. ON THE DARKER SIDE OF THE PICTURE, HOWEVER, SEVERAL PERSONS -- OFTEN ENTIRE FAMILIES -- ARE BEING REMOVED FROM THEIR HOUSES AT NIGHT FOR IMPRISONMENT AND AN UNCERTAIN FATE. PROPERTY ASSOCIATED WITH THE "NADERI DYNASTY" (I.E., THE MUSAHIBAN LINE OF THE YAHYA KHEL
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SUBLINEAGE OF THE MOHAMMADZAI CLAN) IS BEING CONFISCATED. MERCHANTS ARE REPORTEDLY NOT PLACING NEW ORDERS ABROAD -- AND ARE CONVERTING THEIR INVENTORIES TO CASH. A SHORTAGE OF AFGHAN CURRENCY IS CAUSING A CONSTIPATION OF LOCAL COMMERCE, AS WELL AS A FURTHER DROP IN THE DOLLAR RATE (CA. 37 TO 39 AFGHANIS PER DOLLAR ON MAY 22). TOURISTS HAVE BECOME A RARE SPECIES HERE.

4. ALTHOUGH SOME OF THE NEW MINISTERS APPEAR TO BE EAGER AND WELL-MOTIVATED TO GET THIS COUNTRY MOVING, MANY APPEAR WOEFULLY ILL-PREPARED FOR THEIR NEW RESPONSIBILITIES. SOME HAVE NEVER HELD A JOB, WHILE ONE, THE MINISTER OF FINANCE, IS SELF-TAUGHT AND HAS NEVER BEEN TO SCHOOL. MANY GOOD CIVIL SERVANTS OF THE PREVIOUS REGIME HAVE BEEN DISCARDED FOR NO DISCERNIBLE REASON AND NOW THEY JOIN AN ARMY OF DISCARDS FROM THE DAOUDIST ERA (A SHORTSIGHTED WASTE OF MANPOWER IN A COUNTRY WHERE THE POOL OF TRAINED ELITE IS SO VERY SHALLOW).

5. IN THE FOREIGN POLICY AREA, THE NEW REGIME HAS THUS FAR CONCENTRATED ALMOST EXCLUSIVELY ON ITS RELATIONS WITH THE SOVIET UNION (SIGNING MANY ECONOMIC ASSISTANCE AGREEMENTS) AND PAKISTAN (ASSURING THE LATTER THAT PUSHTUNISTAN WILL NOT BE PERMITTED TO BECOME A BILATERAL IRRITANT). PUSHTUNISTAN PROPAGANDA

APPEARS TO HAVE ABATED SOMEWHAT. FOREIGN MINISTER HAFIZULLAH AMIN HAS ATTENDED THE NON-ALIGNED COORDINATING BUREAU MEETING AT HAVANA. THE REGIME'S FRIENDLY INITIAL RELATIONS WITH THE SOUTH KOREANS (KABUL 3958) INDICATES SOME DEGREE OF AFGHAN INDEPENDENCE FROM SOVIET AMBASSADOR PUZANOV'S TOUGH ANTI-SEOUL LINE HERE -- AND REFLECTS AN ATTEMPT TO PROJECT AFGHANISTAN'S TRADITIONAL NON-ALIGNED IMAGE.

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6. AT THE PRESENT TIME, THE PRIMARY CONCERNS OF THE NEW AFGHAN LEADERSHIP ARE POLITICAL CONSOLIDATION AND INTERNAL SECURITY -- AND THESE AREAS WILL PROBABLY CONTINUE TO RECEIVE TOP PRIORITY ATTENTION FOR SOME TIME TO COME. AT THIS TIME, THE NEW REGIME DOES NOT APPEAR TO BE FACING ANY INTERNAL OR EXTERNAL CHALLENGES IT CANNOT HANDLE. END OF SUMMARY.

7. CONSOLIDATION OF INTERNAL SECURITY CONTINUES: EVEN THOUGH MANY ASPECTS OF LIFE IN KABUL AND OTHER MAJOR CITIES HAVE RETURNED TO NORMAL, THE REGIME HAS NOT RELAXED ITS GUARD. OVERNIGHT CURFEWS CONTINUE, STARTING AT 11:00 P. M. MOST OF THE TROOPS AND HEAVY MILITARY EQUIPMENT HAVE BEEN REMOVED FROM THE BUILT-UP AREAS OF KABUL AND HAVE BEEN REDEPLOYED TO KEY DEFENSIVE POSITIONS AROUND THE CITY. SECURITY AT KABUL AIRPORT REMAINS EXTREMELY TIGHT, AND THE REGIME IS VERY CAREFULLY CONTROLLING THE DEPARTURE OF AFGHANS. NEVERTHELESS, WE PERCEIVE NO IMMEDIATE INTERNAL THREAT TO THE REGIME'S MILITARY CONTROL OF THE COUNTRY. A SOVIET AIRLIFT OF SOME TYPE HAS BEEN ARRIVING AT BAGRAM AIR BASE SOME 20 MILES NORTH OF KABUL. THE SOVIET PLANES ARE REPORTEDLY BRINGING EQUIPMENT, PERSONNEL, AND AMMUNITION, AND SUCH A DISPLAY OF MATERIAL SUPPORT FURTHER UNDERSCORES MOSCOW'S COMMITMENT TO THE PRESERVATION OF THIS REGIME.

8. MEETINGS WITH TRIBAL LEADERS: MESSAGES OF CONGRATULATIONS AND SUPPORT FROM PUSHTUNS ON BOTH SIDES OF THE DURAND LINE FRONTIER CONTINUE TO BE PUBLICIZED IN THE AFGHAN MEDIA. REVOLUTIONARY COUNCIL PRESIDENT NOOR MOHAMMAD

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TARAKI'S MEETINGS WITH PUSTUN TRIBAL LEADERS FROM PAKISTAN'S NORTHWEST FRONTIER PROVINCE (NWFP) AND AFGHANISTAN'S EASTERN PROVINCES RECEIVE THE MOST EXTENSIVE MEDIA ATTENTION. OSTENSIBLY, THE AFGHAN KHANS HAVE BEEN EXPRESSING THEIR UNQUALIFIED SUPPORT FOR THE NEW REGIME, ALTHOUGH RECENT UNREST

IN PAKTIA PROVINCE HAS INDICATED THAT SUCH SUPPORT MAY NOT BE UNANIMOUS. THE REGIME IS TAKING GREAT PAINS TO INDICATE THAT SUCH OPPOSITION IS MINOR, ISOLATED, AND CONDEMNED BY THE LOCAL TRIBAL LEADERSHIP. IN A RECENT SPEECH TO VISITING PUSHTUN LEADERS, TARAHI BREATHED LIFE BACK INTO A HISTORIC FOREIGN BOGEYMAN -- THE BRITISH. OTHERS MAY BE ASSIGNED THAT ROLE LATER.

9. VISITS FROM PUSHTUN LEADERS LIVING IN THE PAKISTANI REGIONS HAVE BEEN HEAVILY PUBLICIZED, IN SPITE OF THE FACT THAT THE PAKISTANIS HAVE ALREADY INDICATED TO THE DRA THEIR SENSITIVITY OVER THIS PRACTICE. THIS INDICATES THAT THE TARAHI GOVERNMENT APPARENTLY HAS ELECTED TO CONTINUE TO RESUSCITATE, TO SOME DEGREE, THE PUSHTUNISTAN ISSUE, A CAUSE WHICH THE AFGHAN LEFTISTS HAVE STRONGLY SUPPORTED IN THE PAST, PERHAPS FOR DOMESTIC POLITICAL REASONS. HOWEVER, THE LEADERSHIP HAS ALSO STATED THAT IT DESIRES GOOD RELATIONS WITH PAKISTAN, AND, IN THAT REGARD, HAS CUT BACK APPRECIABLY ITS RADIO PROPAGANDA ON PUSHTUNISTAN.

10. HUMAN RIGHTS ARE BEING BRUISED AND BATTERED: RUMORS OF EXECUTIONS OF FORMER OFFICIALS OF THE DAOUDIST AND PREVIOUS ROYAL GOVERNMENTS BEGAN MAKING THE ROUNDS HERE ABOUT ONE WEEK AGO. COUPLED WITH VERIFIED REPORTS OF WIDESPREAD ARRESTS OF WHOLE FAMILIES (INCLUDING WOMEN AND CHILDREN RELATED TO THE FORMER ROYAL FAMILY), THESE STORIES HAVE CALLED INTO QUESTION THIS REGIME'S ATTITUDES AND POLICIES TOWARDS HUMAN RIGHTS. PERHAPS PROMPTED BY WESTERN NEWS REPORTS, SECRET

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BY DEMARCHES BY A FEW RESIDENT AMBASSADORS, AND BY A THREATENED DEMARCHE BY THE DIPLOMATIC WIVES' ASSOCIATION, THE DRA ISSUED AN OFFICIAL ANNOUNCEMENT ON MAY 17 THAT SUCH REPORTS WERE THE PRODUCTS OF "FOREIGN REACTIONARY CIRCLES" WHOSE OWN HUMAN RIGHTS RECORDS WERE LESS THAN IMPECCABLE. THE ANNOUNCEMENT CONTENDED THAT THOSE IN DETENTION WERE BEING HELD FOR THEIR OWN SAFETY. THE GOVERNMENT'S PROTESTATIONS INDICATED THAT THE DRA IS SENSITIVE ABOUT THE HUMAN RIGHTS ISSUE, AND RAISES HOPE THAT SOME ARRESTED INDIVIDUALS MAY NOW RECEIVE MORE HUMANE TREATMENT AT THE HK OF THE REGIME AND ITS REVOLUTIONARY COURTS. WE HAVE NOT YET SEEN HEARD EVIDENCE OF A CONSISTENT PATTERN OF GROSS VIOLATION OF HUMAN RIGHTS HERE.

11. ETHNIC INTEGRATION EMERGES AS A MAJOR THESE: A POLICY HINTED AT BY THE ETHNIC COMPOSITION OF THE NEW CABINET, (WHICH, IN ADDITION TO ITS PUSHTUN LEADERSHIP, CONTAINS FOUR TAJIKTGN TWO JZARAS, ONE UZBEK, AND A QIZILBASH) HAS BEEN REINFORCED IN VARIOUS WAYS BY THE

TARAKI GOVERNMENT.

THE PRIME MINIS RR'S STATEMENT OF

GOALS IN HIS MAY 3 SPEECH SET FORTH PLANKS WHICH WOULD INTEGRATE THIS COUNTRY'S ETHMHC MINORITIES MORE FULLY INTO

THE NATION'S MAINSTREAM. MOREOVER, THE REVOLU-
TIONARY COUNCIL'S DECREE NUMBER FOUR OF MAY 15 PROCLAIMED THAT PRACTICAL STEPS WOULD BE FORMULATED TO ACHIEVE THIS GOAL, THE FIRST OF WHICH WOULD BE TO START RADIO BROAD-
CASTS IN MINORITY LANGUAGES, SUCH AS UZBEKI, TURKMANI, BALUCHI, AND THOSE OF NURISTAN. FOR HIS PART, TARAKI HAS HELD SEVERAL WIDEVW REPORTED MEETINGS WITH ETHNIC GROUPS, THEREBY LENDING HIS OWN PRESTIGE AND INFLUENCE
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TOTHIS APPARENTLY BASIC PROGRAM OF HIS GOVERNMENT. THE TASK IS A FORMIDABLE ONE, HOWEVER, AND IF PUSHED ASSID-
UOUSLY, COULD CONCEIVABLY ENGENDER RESISTANCE AMONG THE TRADITIONALLY DOMINANT DURRANI PUSHTSNS. THE GENESIS OF THIS PROGRAM WITHIN THE LEADERSHIP IS NOT DIFFICULT TO DETECT. TARAKI HIMSELF IS A PUSHTUNNQ BUT OF THE GHILZAI BRANCH WHICH HAS BEEN OUT OF POWER AND FAVOR SINCE THE ACCESSION OF AHMAD SHAH DURRANI IN QURUM BECAUSE THE GHILZAI'S CONSTITUTE THE MAJORITY OF THE NOMADIC TRIBES KKUCHIS), TRAKI, BASED ON HIS OWN BACKGROUND AND EXPERIENCE PROBABLY SINCERELY SUPPORTS A PROGRAM TO ENHANCE THE STANDARD OF LIVING OF ANMHANISTUW'S#HIS BRICAL HAVE-NOTS. SHOULD HE AND HIS COLLEAGUES SUCCEED IN THIS MOST FUNDAMENTAL NATION-BUILDING STEP, THEY WOULD ACHIEVE SOMETHING PAST AFGHAN RULERS HAVE NOT ATTAINED, NOR IN MOST CASES, EVEN ATTEMPTED.

12. STATUS OF ISLAM REMAINS UNCERTAIN: FROM THE MOMENT OF ITS SEIZURE OF POWER, THE REGIME HAS BEEN CAREFUL TO EMPHASIZE ITS "RESPECT" FOR THE ROLE ISLAM PLAYS IN AFGTAN SOCIEAAM IN MEETINGS WITH ONE OR TWO ISLAMIC AMBASSADIDS, TARAKI AND HIS COHORTS HAVE CLAIMED THEY WERE MUSLIMS, BUT WERE CAREFUL NOT TO SAY MOROM WEMMZSO#NOTICE THAT RECENT DRA ANNOUNCEMENTS ARE LESS FREQUENTLY OPENING WITH THE INVOCATION: "IN THE NAME OF ALLAH. . . ." SOONER RATHER THAN LATER THE TARAKI REGIME WILL PROBABLY HAVE TO FACE THE DILEMMA POSED BY THE CONTRADICTIONS BETWEEN ISLAM AND MARXISM. MISHANDLING AT THAT JUNCTURE COULD WELL LEAD TO FURTHER VIOLENCE IN THIS DEVSIT, TRADITIONALIST SOCIETY.

13. ELIMINATION OF EIGHTH GRADE EXAMS A GREAT HIT:
THE MOST BALLYHOOED STEP THE GOVERNMENT HAS YET TAKEN HAS BEEN ELIMINATION OF EIGHTH GRADE EXAMINATIONS WHICH CONTROLLED ENTRY INTO HIGH SCHOOL. THE EXAM'S DIFFICULTY
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SERVED TO TERMINATE THE EDUCATION OF MOST PUPILS AND, BECAUSE THE BEST SCHOOLS WERE IN KABUL, THE CHILDREN OF THE MIDDLE AND UPPER CLASSES FARED BETTER. NOW THOSE WHO HAVE BEEN WEEDED OUT HAVE BEEN INVITED TO RESUME THEIR EDUCATION AND THE RESPONSE HAS BEEN OVERWHELMINGLY NUNDYUSIA SEUC.# IN ADDITION, UNEMPLOYED HIGH SCHOOL GRADUATES HAVE BEEN ASKED TO SIGN ON AS INSTRUCTORS IN THE 2# CLASSES THROUGHOUT THE COUNTRY IN ORDER TO HANDLE THE FLOOD OF RETURNEES. TO TANANCE THIS BACK-TO-SCHOOL PROGRAM (WHICH ALSO INVOLVES THE CONSTRUCTION OF NEW SCHOOLS), MASSIVE "VOLUNTARY" CONTRIBUTIONS HAVE BEEN MADE BY THOUSANDS OF INDIVIDUALS AND ORGANIZATIONS. FOR EXAMPLE". ALL FOREIGN MINISTRY PERSONNEL RECENTLY DONATED" ONE DAY'S PAY TO THIS PROGRAM. WHAT IS CLEAR IS THAT THE NEW LEADERSHIP HAS ACCOMPLISHED A PUBLIC RELATIONS COUP BY ELIMINATING AN UNPOPULAR, ELITIST PRACTICE. WE LEARN ECONOMISTS BELIEVE THE STEP WAS MISGUIDED, HOWEVER, AND WILL DIVERT SCARCE RESOURCES AND ATTENTION AWAY FROM OTHER MORE CRITICAL AREAS, SUCH AS EXPANDING PRIMARY EDUCATION.

14. BUREAUCRATIC PURGE RUMBLES ALONG: WHOLESAL PERSONNEL CHANGES WITHIN THE BUREAUCRACY CONTINUE UNABATED, AND VERY FEW HIGH LEVEL, TREACOUG # INCUMBENTS, REGARDLESS OF BACKGROUNDS, STPJI OCTY# THEIR DESKS. IN MANY CASES, THE NEW APPOINTEES ARE ILL-EQUIPPED FOR THEIR ASSIGNMENTS (E.G., THE MINISTER OF FINANCE HAS NEVER BEEN TO SCHOOL), ALTHOUGH THEY DO POSSESS IN THE REGIME'S EYES THE MOST IMPORTANT PREREQUISITE OF ALL: PARTY MEMBERSHIP OR SOME OTHER TYPE OF POLITICAL SECRET

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ACCEPTABILITY. BY ELIMINATING SO MANY QUALIFIED TECHNOCRATS SIMPLY BECAUSE THEY WORKED FOR THE FORMER REGIME, THIS GOVERNMENT IS REPEATING A MISTAKE COMMITTED BY DAIUD FOLLOWING HIS TLN 1973 COUP, QD THIS ACTION THREATENS TO SET BACK BY YEARS ECONOMIC PROGRESS. A KEY IMPONDERABLE, HOWEVER, IS HOW FAR THE SOVIET UNION AND OTHER COMMUNIST GOVERNMENTS WILL BE WILLING AND ABLE TO TAKE UP THE SLACK.

15. FOREIGN RELATIONS: IN THE BEST ROBBER BARON TRADITION OF CENTURIES OF PREDATORY AFGHAN POLICY TOWARD THE OUTSIDE WORLD, THE DRA HAS GIVEN REPEATED WARNING THAT IT WILL MEASURE THE FRIENDSHIP OF FOREIGN COUNTRIES BY THE AMOUNT OF ECONOMIC AND POLITICAL

SUPPORT THEY PROVIDE TO AFGHANISTAN. OTHERWISE, FOREIGN RELATIONS HAVE TAKEN A BACK SEAT TO DOMESTIC POLICY AND INTERNAL SECURITY. THE NEW REGIME CONTINUES TO DESCRIBE ITSELF AS INDEPENDENT, NATIONALIST, NON-ALIGNED, AND DEDICATED TO PURSUING A "POSITIVE AND STRICT NEUTRALITY." IN SPITE OF CLEAR EVIDENCE OF INCREASING SOVIET PRESENCE AND INFLUENCE HERE, THE AFGHANS DO SHOW SOME SIGNS THAT THEY MAY CONTINUE TO PURSUE AN INDEPENDENT FOREIGN POLICY. FOR EXAMPLE, RECOGNITION OF SOUTH KOREA WAS SOLICITED AND WARMLY RECEIVED BY THE TARAKI GOVERNMENT (KABUL 3958) -- IN SPITE OF SOVIET AMBASSADOR PUZANOV'S OWN HARD-NOSED ATTITUDE AGAINST SEOUL. WE HAVE NOT YET BEEN ABLE TO ASSESS THE PERFORMANCE OF THE AFGHANS AT THE CURRENT HAVANA MEETING OF THE NONALIGNED COORDINATING BUREAU. ANOTHER EARLY INDICATOR WILL BE THEIR RECORD AT THE COMING SPECIAL SESSION ON DISARMAMENT, WHICH OPENS AT NEW YORK ON MAY 23.

16. LIKE ITS STATEMENTS THAT IT DESIRES GOOD RELATIONS WITH PAKISTAN, THE DRA HAS ALSO SOUGHT TO REASSURE THE IRANIANS THAT IT WANTS TO MAINTAIN FRIENDLY RELATIONS --
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AND HAS TAKEN GREAT PAINS TO CONVINCE THE MORE CONSERVATIVE MUSLIM STATES THAT THE NEW REGIME REALLY RESPECTS ISLAM (A LOCAL ARAB DIPLOMAT RECENTLY OBSERVED DRILY THAT THERE IS A DIFFERENCE BETWEEN SAYING THAT ONE "RESPECTS" ISLAM AND AFFIRMING THAT ONE IS INDEED A MUSLIM). AFGHANISTAN'S RELATIONSHIP WITH INDIA CONTINUES TO BE FRIENDLY, BUT NOT REALLY VERY ACTIVE SINCE THE INITIAL EXCHANGE OF EXPRESSIONS OF MUTUAL WARMTH. THE CHINESE ARE WARILY EVALUATING THE RESULTS OF WHAT THEY REGARD AS A CLEAR SOVIET VICTORY.

17. ECONOMIC DEVELOPMENTS

A. PRICES. THE GOVERNMENT APPEARS TO BE FOLLOWING A POLICY, NOT FULLY ARTICULATED TO DATE, OF REDUCING CONSUMER PRICES FOR BASIC COMMODITIES. PRICES OF FOUR KEY FOODSTUFFS (WHEAT, RICE, MUTTON, AND COOKING OIL) WERE FALLING DURING THE MONTH BEFORE THE COUP, AND THEY HAVE CONTINUED TO DECLINE SLIGHTLY. MOST OF THIS PRICE DECLINE IS PROBABLY DUE TO SUPPLY AND DEMAND CONDITIONS, RATHER THAN GOVERNMENT ACTION. ON THE OTHER HAND, THE NEW GOVERNMENT'S STAND ON PRICES HAS PROBABLY PREVENTED MERCHANTS FROM TAKING ADVANTAGE OF A CONFUSED SITUATION AND RAISING PRICES ARBITRARILY.

B. TRADE AND COMMERCE. COMMERCIAL ACTIVITIES IN THE PRIVATE SECTOR ARE AT A LOW EBB. ACCORDING TO ONE REPORT, CUSTOMS RECEIPTS WHICH AVERAGED 20 MILLION AFGHANIS PER WEEK BEFORE THE COUP, HAVE DROPPED TO ABOUT ONE MILLION AFGHANIS PER WEEK. THE PRINCIPAL REASON FOR THE LOW LEVEL OF ACTIVITY IS THE BANKING SYSTEM'S POLICY OF LIMITING WITHDRAWALS TO 50,000

AFGHANIS PER WEEK (ABOUT \$1,200). THE INABILITY OF MERCHANTS AND TRADERS TO OBTAIN MONEY TO PAY FOR IMPORTS OR LOCAL PURCHASES, PLUS UNCERTAINTY ABOUT GOVERNMENT INTENTIONS TOWARD THE PRIVATE SECTOR, HAVE BROUGHT BUSINESS TO A NEAR STANDSTILL. THE MINISTERS OF COMMERCE AND FINANCE HAVE BEEN MEETING WITH
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BUSINESSMEN CONCERNING THE SITUATION, BUT NO POSITIVE GOVERNMENT ACTION -- WITH THE EXCEPTION OF EXHORTATIONS TO CONTINUE BUSINESS AS USUAL -- HAS BEEN TAKEN TO ENCOURAGE TRADE AND COMMERCE.

C. EXCHANGE RATES. SINCE THE COUP, THE BANK SELLING RATE FOR DOLLARS HAS INCREASED FROM AFS 42/\$1 TO AFS 43/\$1. THE REVERSE HAS BEEN THE CASE IN THE FREE MARKET MONEY BAZAAR. THE VALUE OF THE DOLLAR HAS STEADILY DECLINED AND THE RATE NOW STANDS AT ABOUT AFS 39/\$1. THE REASON FOR THE DOLLAR'S DEPRECIATION IN THE MONEY BAZAAR APPEARS TO BE THE SHORTAGE OF AFGHANI BANKNOTES AVAILABLE TO THE DEALERS FOR THEIR TRANSACTIONS. WITH BANK WITHDRAWALS STRICTLY LIMITED, THE DEALERS HAVE LOWERED THEIR RATES TO COAX AFGHANIS INTO THE MARKET. (SUBSTANTIAL QUANTITIES OF AFGHANIS ARE BEING HOARDED.) THE MONEY BAZAAR RATE FOR DOLLAR CHECKS, ORDINARILY HIGHER THAN FOR CASH, HAS DECLINED EVEN MORE. THE FEW CHECKS THE BAZAAR IS ACCEPTING ARE EXCHANGED AT RATES OF AFS 37 OR 38/\$1. THE MONEY BAZAAR HAS ESSENTIALLY BEEN HAMSTRUNG AND ITS ACTIVITIES SEVERELY CONSTRICTED. A FINANCE MINISTRY ANNOUNCEMENT OF MAY 16 EXTOLLED THE SERVICES AVAILABLE TO BUSINESS THROUGH THE BANKS FOR LETTERS OF CREDIT, EXPORT AND IMPORT TRANSACTIONS, AND OTHER AREAS IN WHICH THE MONEY BAZAAR HAS TRADITIONALLY BEEN THE DOMINANT FINANCIAL INSTITUTION OF THE COUNTRY. AIRPORT CUSTOMS IS CHECKING DEPARTING TRAVELERS CLOSELY FOR EXCESS CURRENCY.

D. ASSISTANCE PROJECTS. ECONOMIC ASSISTANCE NEGOTIATIONS WITH MOST BILATERAL AND MULTILATERAL DONORS HAVE BEEN HELD IN ABEYANCE UNTIL THE GOVERNMENT DECIDES ITS ECONOMIC POLICIES. HOWEVER, A FLURRY OF SIGNINGS WITH THE SOVIET UNION TOOK PLACE DURING THE LAST WEEK. TEN SUCH AGREEMENTS WERE PROMINENTLY REPORTED IN THE LOCAL PRESS. ALTHOUGH THE AGREEMENTS ARE FOR PROJECTS WHICH WERE ALREADY IN THE PIPELINE, THEIR RAPID CONCLUSION IS INDICATIVE OF TARAKI GOVERNMENT'S DESIRE FOR VISIBLE SOVIET AID. AN ASSISTANCE AGREEMENT HAS ALSO BEEN SIGNED WITH CZECHOSLOVAKIA, AN AGREEMENT WITH INDIA FOR ENGINEERING SERVICES UNDER AN IBRD CREDIT HAS BEEN RENEWED, AND A CIVIL AVIATION AGREEMENT WITH THE GERMAN DEMOCRATIC
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RELUBLIC WAS SIGNED ON MAY 20. PENDING AGREEMENTS WITH PRIVATE AMERICAN AID ORGANIZATIONS AND THE AMERICAN PRIVATE SECTOR HAVE NOT YET BEEN ACTED UPON. THE NEW GOVERNMENT HAS NOT YET OFFICIALLY APPROACHED US REGARDING THE USAID PROGRAM HERE, AND WE, FOUR OUR PART, HAVE PURPOSELY AVOIDED TAKING THE

INITIATIVE PENDING POLICY GUIDANCE FROM WASHINGTON.

18. MILITARY SITUATION

A. KABUL. THE TANKS WHICH PARTICIPATED IN THE COUP HAVE BEEN ROTATED BACK TO THE PUL-I-CHARKI AREA FOR MAINTENANCE; HOWEVER, THEY HAVE BEEN REPLACED BY AN ALMOST EQUAL NUMBER (50 OF TANKS. THESE ARE DEPLOYED IN COMPANY-SIZED UNITS GUARDING THE APPROACHES TO KABUL, THE PALACE, THE PRIME MINISTRY, AND RADIO AFGHANISTAN (THE SEAT OF THE REVOLUTIONARY COMMITTEE).

B. OUTSIDE KABUL. THERE HAVE BEEN PERSISTENT REPORTS OF TROUBLE IN THE TOUGH EASTERN PUSHTUN PROVINCE OF PAKTIA, WHICH HAS REQUIRED THE USE OF MILITARY TO RETAIN CONTROL. THE HEAVY PRESS PLAY GIVEN THE ACCEPTANCE OF THE NEW GOVERNMENT BY THE VARIOUS PUSHTUN TRIBES MAY WELL ALSO BE AN INDICATION OF TROUBLE IN OTHER EASTERN SECTIONS OF THE COUNTRY. AS LONG AS THE UNREST REMAINS LOCAL AND SPORADIC, THE MILITARY CAN PROBABLY COPE WITH IT, BUT A WIDESPREAD OUTBREAK OF GUERRILLA OR TERRORIST ACTIVITY WOULD SEVERELY TAX THE MILITARY.

C. SOVIET ASSISTANCE. ALL INDICATIONS ARE THAT SOVIET ASSISTANCE IS BEING INCREASED. THERE ARE REPORTS FROM SEVERAL SOURCES OF AN AIRLIFT OPERATION BRINGING SOVIET PERSONNEL, EQUIPMENT, AND AMMUNITION INTO BAGRAM AIR BASE; INCREASED NUMBERS OF ADVISORS AT DIVISION LEVEL AND IN THE MINISTRY OF DEFENSE; AND THE INSTALLATION OF A SECURE MILITARY COMMUNICATIONS LINK BETWEEN KABUL AND THE SOVIET UNION. REPORTS ALSO CONTINUE TO BE RECEIVED THAT THE
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SOVIETS WERE FLYING AT LEAST TWO OF THE AIRCRAFT ENGAGED IN THE AIR STRIKES AGAINST THE DAOUD FORCES ON APRIL 27, THE OPENING DAY OF THE REVOLUTION.

D. WHO IS IN CHARGE? AT THE NATIONAL LEVEL, THE PUBLIC STANCE IS THAT CIVILIAN PARTY MEMBERS ARE IN CHARGE AND THAT THE COUP WAS DIRECTED BY THEM WITH THE MILITARY BEING ONLY AN INSTRUMENT. THIS VIEW MAY WELL BE VALID SINCE THE PRIMARY MILITARY LEADERS IN THE COUP, COLGM ABDUL QADER, AND MAJ. ASLAM WATANJAR, ARE BOTH PARTY MEMBERS AND WATANJAR HAS ASCRIBED HIS SUCCESS TO THE TRAINING HE RECEIVED IN THE PARTY. HOWEVER, TO THOSE MEMBERS OF THE MILITARY ELITE WHO ARE NOT KHALQ PARTY MEMBERS, THE CLEARLY SUBSERVIENT ROLE OF THE MILITARY TO THE PARTY MAY RANKLE. WITHIN THE MILITARY THE FILLING OF KEY SLOTS CONTINUES. COMMANDERS OF MAJOR COMMANDS OUTSIDE OF KABUL, NAMED IN THE FIRST DAYS OF THE NEW REGIME, REMAIN AS MILITARY COMMANDERS, ALTHOUGH ALL BUT FOUR OF THEM HAVE LOST THE ADDITIONAL DUTY OF PROVINCIAL GOVERNOR WHICH THEY HELD AT FIRST. WITHIN KABUL, THINGS HAVE TAKEN LONGER TO SETTLE DOWN, WITH KEY JOBS SUCH AS CHIEF OF STAFF OF THE ARMED FORCES, COMMANDER IN CHIEF OF THE AIR AND AIR DEFENSE FORCES, COMMANDER OF THE AIR FORCE, AND COMMANDER OF THE I (KABUL) CORPS BEING HELD AT FIRST BY INTERIM APPOINTEES. IN THESE

KEY JOBS THERE APPEAR TO BE A TREND TOWARD REPLACING THE ORIGINAL POST COUP INCUMBENTS WITH MORE SENIOR OFFICERS, A FACT WHICH MAY WELL ANGER SOME OF THE YOUNGER OFFICERS WHO HAVE ALREADY TASTED THE HEADY WINE OF POWER BEFORE BEING REDUCED IN STATUS. ANOTHER SOURCE OF STRAIN WITHIN THE MILITARY IS THE REPORTED EXISTENCE OF A NUMBER OF OFFICERS WHO ARE OPPOSED TO THE NEW REGIME AND ARE NOW LOOKING FOR WAYS TO BRING IT DOWN. GIVEN THE RELATIVELY SMALL NUMBER OF OFFICERS ACTUALLY INVOLVED IN THE COUP, IT SEEMS AS THOUGH THE HARD CORE OF PARTY MEMBERS WILL HAVE TO CONTEND WITH A SIGNIFICANT NUMBER OF OFFICERS WHO ARE DISAFFECTED WITH THE NEW REGIME FOR ONE REASON OR ANOTHER.

19. CONCLUSIONS: LESS THAN A MONTH AFTER ITS SUCCESS-
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FUL SEIZURE OF POWER, THE NEW REGIME HAS IDENTIFIED CORRECTLY SOME OF AFGHANISTAN'S PRINCIPAL SOCIAL AND ECONOMIC PROBLEMS, BUT HAS NOT THUS FAR LAID OUT ANY DISCERNIBLE LONG-RANGE PROGRAMS TO IMPLEMENT CHANGES. HOWEVER, THE MERE IDENTIFICATION OF THE PROBLEMS IS NO MEAN ACHIEVEMENT FOR AN INFANT MINORITY GOVERNMENT FOLLOWING A VIOLENT TAKEOVER, AND IT COULD LEAD TO A REAL IMPROVEMENT IN THE LOT OF AFGHANISTAN'S POOR, ILLITERATE MASSES. THE PLANNING AND EXECUTION OF SUCH PROGRAMS SHOULD PROVIDE CLEAR INDICATIONS OF HOW "COMMUNIST" AND HOW EFFECTIVE THE TARAHI REGIME REALLY IS.

20. IT IS CLEAR THAT CONSOLIDATION OF POWER AND INTERNAL SECURITY REMAIN THE PRIMARY CONCERNS OF THE NEW REGIME -- AND WILL BE FOR SOME TIME TO COME. IN ORDER TO BUTTRESS POPULAR SUPPORT FOR THE LEGITIMACY IT WON SOLELY THROUGH MILITARY FORCE -- AND NOT THROUGH MORE TRADITIONAL METHODS, SUCH AS THE CONVENING OF A "LOYA JIRGA" (A SPECIAL GRAND ASSEMBLY OF PRINCIPAL AFGHAN INTEREST GROUPS) -- THE TARAHI REGIME OPENED ITS BARRAGE OF REVOLUTIONARY DECREES WITH SOME WIDELY POPULAR MEASURES: (A) DEPRESSING FOOD PRICES; (B) EQUALIZING THE SHARES OF SUBSIDIZED FOOD FOR ALL CIVIL SERVANTS AND MILITARY PERSONNEL; (C) ELIMINATING ELITIST BARRIERS TO SECONDARY EDUCATION; AND (D) ENDEAVORING TO FIND JOBS FOR UNEMPLOYED HIGH SCHOOL GRADUATES. THE REGIME HAS BEEN BRINGING PUSHTUN TRIBAL LEADERS TO KABUL FOR PUBLIC EXPRESSIONS OF SOLIDARITY, AND PUBLICIZING MESSAGES OF SUPPORT FROM THOSE REGIONS. THIS CAMPAIGN HAS CONVEYED THUS FAR AN IMAGE OF UNITY.

21. ALTHOUGH THE PAKISTANIS WERE SUCCESSFUL AT
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GETTING KABUL TO REDUCE ITS RADIO PROPAGANDA EFFORTS,
ISLAMABAD CANNOT BUT BE DISTURBED AT THE SIGHT
OF AFRIDI, SHINWARI, AND WAZIRI LEADERS MAKING A
PILGRIMAGE TO KABUL. THERE HAS FOR DECADES BEEN A
TIGHT LINK BETWEEN AFGHANISTAN'S LEFTISTS AND ITS
"PUSHTUNISTAN" ZEALOTS. THE FLEXIBILITY OF THE
TARAKI GOVERNMENT COULD WELL BE HIGHLY LIMITED IN
THIS AREA AS POLITICAL OUS OF THE PAST ARE
PRESENTED FOR PAYMENT. ELIOT
UNQUOTE CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 26 sep 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, ECONOMIC DEVELOPMENT, FORM OF GOVERNMENT, CHURCH STATE RELATIONS, MINORITIES, INTERGOVERNMENTAL COOPERATION, SOCIAL PROBLEMS
Control Number: n/a
Copy: SINGLE
Draft Date: 31 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE138335
Document Source: ADS
Document Unique ID: 00
Drafter: NEA/PAB:MHORNBLOW:DD
Enclosure: n/a
Executive Order: 11652 XGDS-1
Errors: n/a
Expiration:
Film Number: D780228-0519
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197805112/baaaeytx.tel
Line Count: 555
Litigation Code IDs:
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Litigation History:
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Message ID: 957c3895-c288-dd11-92da-001cc4696bcc
Office: ORIGIN NEA
Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 11
Previous Channel Indicators:
Previous Classification: SECRET
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 17 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2540848
Secure: OPEN
Status: NATIVE
Subject: THE CRYSTAL BALL AT KABUL REMAINS MURKY
TAGS: PINS, PGOV, PEPR, ECON, SOCI, AF
To: n/a INFO ANKARA
Type: TE
vdkgvwkey: odbcr//SAS/SAS.dbo.SAS_Docs/957c3895-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014